FOREIGN AGRICULTURE

U.S.-USSR information talks.

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France's Mixed Feed Industry

Soviet Agriculture

Foreign Agricultural Service
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A U.S.-USSR Working Group meeting for the exchange of agricultural information is concluded with a handshake between Richard E. Bell, Deputy Assistant U.S. Secretary of Agriculture, and G. P. Rudenko, Head of the Soviet Delegation. From left are David L. Hume, FAS Administrator, and A. A. Konygin and V. G. Sheremetev, Embassy of the USSR. Articles begin on page 8.

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Italy Limits Farm Imports To Improve Ailing Finances

By JAMES LOPES
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THE ITALIAN Government on May 1 took radical measures to restrict imports to halt the collapse of its rapidly sagging international financial position. Prior-import deposit requirements were imposed on about 40 percent of the country's imports, which totaled $28 billion in 1973. The restrictions are expected to affect more than half of Italy's agricultural imports, which approached $5 billion in 1972 and are estimated at $6.5 billion for 1973.

Italy's farm imports from the United States are not expected to be hard hit, however, since feed and raw materials—as well as essential energy sources and semi-finished and capital goods—are exempt from the regulation. Thus, the three leading commodities imported from the United States—corn, soybeans, and soybean meal, which amounted to nearly $500 million or 72 percent of total U.S. farm exports to Italy in 1973—are exempt. U.S. raw cotton and tobacco exports, valued at $50 million in 1973, are also exempt. The only U.S. farm exports (1973 value) affected significantly are: Dried fruit, $5.6 million; cattle, $4 million; seeds, $3.1 million; poultry meat and eggs, $3 million; and pulses, $2.4 million.

Under the new regulation, importers are required to post noninterest-bearing deposits with the Bank of Italy equal to 50 percent of the value of imported items. Deposits will be frozen for 6 months.

Moreover, Italian banks are not allowed to provide credit to importers to cushion the impact of the restrictions, guarantee foreign loans to finance imports, or to bank foreign loans for the amounts of the imported deposits without prior authorization. Imports from all sources—including the European Community countries—are subject to the import restrictions.

Within the European Community, Italy's unilateral action has been severely criticized, particularly by farm lobbies and government officials. They fear that the restrictions, which according to the Italian Treasury Ministry, are to be "temporary" and not "last for years," will have to be applied for a long time. However, some feel that the Italian Government had no other choice in view of its rapidly deteriorating financial position.

Still, Common Market officials now fear a snowballing of new trade barriers in view of the international financial situation caused by the oil crisis. Such actions could destroy the Market's major accomplishment—free movement of goods among members.

The Danish Government, for example, also troubled by balance-of-payments problems—a deficit of 3 billion kroner or US$484 million in 1973—has reacted by imposing its own import reduction scheme. On May 9, the Danes raised taxes on a number of consumer goods, many imported. While the action has been accepted by the Community since it affects both imported and domestic goods, the unilateral action was criticized.

There is no doubt that Italy's unilateral action deals a blow to an already embattled EC. The Community had already been shaken this year by the British Labor Government's demand for new negotiations on membership terms.

By means of the controls, Italy seeks to improve its severe balance-of-payments deficit, which would have reached nearly $5 billion in 1973 if it were not for heavy foreign borrowing. It could double in 1974. The balance-of-payments deficit totaled more than $4 billion during the first 4 months of 1974. This was for an economy one-tenth the size of that of the United States.

Underlying Italy's severe deficit is an internal boom that has sucked in imports while high inflation rates have reduced competitiveness of Italian goods abroad. As a result, the trade deficit exceeded $5 billion in 1973, nearly eight times more than in 1972, and could double in 1974 as a result of an oil deficit estimated at about $6-$7 billion.

THE ITALIAN Government expects the import-deposit requirements to curtail imports by raising their cost, while soaking up excessive money now bidding up prices. The cost-of-living index rose 13 percent in 1973, and is expected to advance between 14 and 20 percent in 1974. Italy also hopes businesses that transferred capital abroad last year will be forced to bring the money back to meet the deposits.

Further, the restrictions are aimed at discouraging export promotion programs by countries such as France, which hiked sales to Italy by 35 percent last year, and West Germany, which increased sales by 40 percent in 1973. Some of these countries are trying to increase exports in 1974 to help pay for high-cost oil imports.

The restrictions are also expected to boost activity in some sectors of the Italian economy, including the livestock sector. The 1973 livestock deficit is estimated at over $3.5 billion, representing about three-fourths of the total agricultural trade deficit. Imports of meat, mainly beef, including animals for slaughter, rose past $2.5 billion in 1973. Imports of dairy products are expected to have greatly exceeded $500 million.

Italian beef and dairy producers, apparently not as efficient as other EC producers, insist that heavy inflows of livestock products have weakened domestic production. Prior to the import restrictions, livestock raisers had vigorously and even violently protested imports of milk, beef, and livestock from other EC partners.

THE IMPACT OF the restrictions on agricultural imports is expected to be severe. First, the regulations impose an additional charge on the imported—equivalent to the interest on the deposit. Interest rates are already quite high—about 15 percent—and are expected to rise sharply as a result of the import-deposit scheme.

Also, the financial liquidity of importers will be sharply reduced, since their funds will be tied up in deposits in the Bank of Italy. Some officials estimate a $3.5-$4.2-billion decline in available money during the first 6 months of the import system.

While some exporters appear to be willing to bypass the restriction by placing import deposits with the Bank of Italy, importers thus far appear reluctant to accept these loans, fearing a devaluation of the lire. If this occurs, the loans would become more expensive in terms of lire.

Another consequence of the controls will be a cut in the purchasing power of Italian consumers caused by rising prices of affected imported products, resulting in lower requirements and thus, reduced imports. Beef prices have already risen 50 lire (about 8 U.S. cents) per kg. (2.2 pounds).

Agricultural products affected by the import - deposit requirements amounted to $2.7 billion in 1972, or 56 percent of total farm imports. Chief amounted to $2.7 billion in 1972, or value, are: Live animals, meat, and meat preparations, $1.8 billion; dairy products, $414 million; edible fruits and nuts and fresh and preserved vegetables, $213 million; coffee, tea, and

spices, $173 million; and beverages, $51 million.

Other affected farm imports include milled grain products, chocolate and cocoa products, and miscellaneous edible preparations, which totaled $137 million in 1972.

Major agricultural imports exempt from import-deposit payments, with 1972 import values, include grains, $529 million; nearly all oilseeds, $232 million; protein cakes and meals, $191 million; hides and skins, $222 million; raw cotton, $163 million; and tobacco, $45 million.

The bulk of Italy's total agricultural imports from the **United States,** valued at $674 million in 1973, are not subject to advance import payments. Of Italy's $359-million in U.S. agricultural imports in 1972, only $14 million were in categories now restricted. For 1973, less than $20 million worth of U.S. farm products were of affected commodities.

Should the restrictions stimulate Italian livestock production, the United States could benefit from the recent import restrictions.

Italy's Parliament recently voted about $700 million to subsidize cattle and milk production. The restrictions may also spur regional governments to rapidly implement existing livestock development plans which have been dragging for lack of incentive.

If such efforts are successful, larger quantities of grains and protein feeds will be required. Since domestic production of feedgrains and oilseeds is not likely to increase significantly, Italy will have to increase imports of feeds to meet domestic requirements.

While feed imports are expensive, it would be more costly to import the equivalent in meat or animals for slaughter. Thus Italy is likely to strive to increase production of livestock products through feed imports, particularly corn and soybeans.

"The three leading commodities imported from the United States—corn, soybeans, and soybean meal—are exempt. The only U.S. farm exports affected significantly are dried fruit, cattle, seeds, poultry meat and eggs, and pulses."

The prior-import deposit requirements should significantly reduce Italy's imports of agricultural products, particularly meat products and animals, from the **European Community.** Italy's imports of all commodities from other EC countries totaled about $12.5 billion in 1973; probably more than 40 percent of this trade will be subject to import restrictions under the new system.

In 1972, affected agricultural imports from Community members amounted to $1.5 billion, or three-fourths of Italy's total farm imports from the EC. The Community supplied Italy with nearly $1 billion worth of live animals, mainly cattle, and meat, mostly beef or veal, in 1972, or 56 percent of total imports of these products.

In addition, Italy took $363 million in dairy products—83 percent of total dairy imports—and $45 million in beverages, mainly wine (champagne), from the EC in 1972. Other food-product imports from the EC that are affected by the restrictions totaled $92 million.

EC officials view the prospect of a cutback in Italian beef imports with dismay. Italy absorbed $476 million worth of Community cattle, or 79 percent of total exports, in 1972. Italy took an additional $224 million worth of EC beef, or 40 percent of total exports in 1972.

Beef is already a highly charged political issue in the Community because of the sudden overproduction that has forced down producer prices. Thousands of tons are being held in cold storage by EC intervention authorities, and the EC Commission recently took stringent measures to restrict imports from non-EC countries. A partial closure of the Italian market could greatly aggravate the situation.

The same applies to a cutback in pork

ITALY: AGRICULTURAL IMPORTS, TOTAL AND TOTAL AFFECTED, 1972
[In million U.S. dollars]

Country	Total		Major commodities affected					
	Agricultural imports	Agricultural imports affected	Live animals	Meat and preparations	Dairy products	Fruit and vegetables, fresh and preserved	Coffee tea, spices	Beverages
European Community:								
Belgium-Luxembourg	101.8	63.0	20.6	25.7	7.3	3.1	0.1	0.3
France	1,007.5	631.1	291.6	76.4	168.1	21.3	2.2	36.6
West Germany	533.2	431.5	189.6	56.8	152.2	9.2	.5	5.3
Netherlands	376.2	312.8	31.6	199.8	33.6	17.3	.3	2.3
United Kingdom	32.4	9.2	1.7	2.1	(1)	1.8	.9	.1
Denmark	80.7	74.3	7.4	61.3	1.4	.8	(1)	.8
Ireland	13.6	12.7	5.9	6.7	(1)	(1)	(1)	(1)
Total	2,145.4	1,534.6	548.4	428.8	362.6	53.5	4.1	45.4
Central Planned Economies[2]	466.8	410.5	308.0	91.5	2.1	3.9	.1	.3
Yugoslavia	162.1	147.4	67.1	75.2	.5	3.5	(1)	.3
United States	359.3	14.2	2.4	1.0	(1)	8.1	.1	(1)
Argentina	260.8	71.2	.3	58.7	.8	5.9	.1	(1)
Brazil	222.4	147.3	(1)	35.5	(1)	.7	108.5	(1)
Total selected	3,016.8	2,325.2	926.2	690.7	366.0	75.6	112.9	46.0
Total	4,893.4	2,744.2	1,007.7	748.9	414.2	212.7	173.2	51.0

[1] Insignificant. [2] Albania, Bulgaria, Czechoslovakia, German D.R., Hungary, Poland, and Romania.

and dairy imports. Italy is an important market for the Community's pork and dairy products. In 1972, Italy took $112 million worth of fresh or frozen pork and $350 million of dairy products, representing 24 and 20 percent, respectively, of the Community's exports.

In terms of the percentage of agricultural trade affected by the restrictions, **Denmark** is hardest hit. Based on 1972 import data, $74 million, or 92 percent of Italy's agricultural imports from Denmark, are affected by the restrictions. Meat and meat preparations account for the bulk of the affected imports. About 70 percent of Denmark's exports of beef in 1973 went to Italy.

The **Netherlands** is also strongly affected by the restrictions. About 40 percent of total Dutch exports to Italy are agricultural products, and over 80 percent of these are restricted. Further, over 80 percent of the affected farm commodities consist of livestock and livestock products—$266 million out of $313 million in 1972.

For 1973, Dutch agricultural exports to Italy are estimated at $541 million, including $339 million in livestock and meat. Dutch exports of dairy products to Italy, though less significant, amounted to $47 million in 1973.

The beef industry, particularly white veal production, is most vulnerable. Dutch veal output is almost entirely destined for export, and veal exports reached a value of $295 million in 1973. Of this, 60 percent or $175 million was destined for Italy.

SINCE THERE is virtually no other foreign market for the Dutch to switch to, Dutch livestock markets have reacted swiftly. Prices of newborn calves dropped from $78 to $37 per head, a decrease of 45 percent. Veal calf prices dropped 17 percent.

The **French** are also affected by Italy's agricultural import restrictions. Nearly two-thirds of Italy's agricultural imports from France are affected by import restrictions ($631 million out of $1 billion in 1972). Preliminary 1973 data show that Italian imports of live animals and meat from France reached roughly $340 million.

According to French official trade statistics, 85 percent of calf exports, 84 percent of cattle exports, and 42 percent of fresh chilled beef and veal exports were shipped to Italy in 1973. For fresh dairy exports (milk, cream, butter, and cheese), the figure was over 20 percent, and for pork, nearly 80 percent.

French exports of cattle and beef alone to Italy in 1972 amounted to $338 million, or 63 percent of total exports. Exports of dairy products to Italy added another $160 million, representing nearly a third of total exports of these products in 1972.

Currently, the problem is compounded by an oversupply of meat in France. Under the Common Agricultural Policy, the Government is being forced to purchase around 4,000 tons of meat per week.

In 1973, **West Germany** exported about $830 million of agricultural products to Italy, which accounted for 25 percent of its total agricultural exports. Of these, however, more than three-fourths in 1972 were in categories covered by the import restrictions—$432 million out of $533 million.

ITALY IS AN important market for West Germany's livestock industry, particularly for Bavarian farmers who specialize in dairy products, feeder cattle, and other livestock products. In 1972, about 70 percent of Germany's total exports of live animals and meat exports went to Italy. Also, Italy absorbed close to half of Germany's exports of dairy products.

The difficulties raised by Italy's import restrictions are not limited to the EC countries. Many other important agricultural suppliers will be adversely affected. A large part of the livestock exports from the **central planned economies,** mainly of Eastern Europe, are adversely affected. Of Italy's $467-million agricultural imports from these countries in 1972, nearly 90 percent will be affected by import-deposit requirements.

Livestock, mainly cattle, and livestock products account for the bulk of affected imports. About two-thirds of Eastern Europe's exports of livestock—mainly cattle—and meat go to Italy.

Yugoslavia, Argentina, and **Brazil** will also see their Italian market for meat affected. Nearly all of Yugoslavia's exports of livestock and meat go to Italy. Italy is the third largest market in Western Europe for Argentine beef and second for Brazilian beef. Brazil will also feel the impact on its coffee exports. In 1972, Italy imported $109 million worth of Brazilian coffee.

ITALY MODIFIES IMPORT CURBS

Pressures from Common Market partners have forced the Italian Government to modify its recent import restrictions. At a meeting of the EC Council of Ministers on June 4, Italy reportedly agreed to abolish advance-import deposit requirements for agricultural products, other than beef. For beef, the import deposit requirements will be reduced to 25 percent.

Curbs on nonagricultural imports remain unchanged. The effective date for the revised import restrictions has not been set.

Retention of the beef import-deposit requirement reflects Italy's desire to cut back beef imports—which cost over $1 billion in 1973—as well as the Government's determination to help the domestic cattle sector. Live cattle imports are now exempt from import restriction, since Italy's feedlot industry depends on feeder cattle imports to increase production of domestic beef supplies.

Italy also agreed to a 12.5 percent devaluation of the Green Lire—which is the official value of the lire relative to the EC's unit of account. Devaluation of the lire will result in higher support prices for Italy's agricultural products that are subject to the Common Agricultural Policy (CAP).

CAP products imported by Italy from third countries—including the United States—will be assessed higher import levies in terms of lire, while imports from EC countries will be granted greatly reduced compensatory amounts (import subsidies).

For beef only, the Italian compensatory amounts (import subsidies) remaining after the devaluation of the Green Lire will be suspended for 3 months.

Higher prices for imported products in Italy, combined with the continuation of advance-deposit requirements for beef, may reduce Italian consumption of these products—one of the objectives of the original restrictions. Hence, third-country and EC products may continue to be diverted to other markets.

Cotton Is King Among Crops In Bolivia's Boom Economy

By PAUL J. FERREE
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EASTERN BOLIVIA — particularly the Santa Cruz area — is riding an economic boom. Petroleum and gas—as well as sugar and livestock—are major factors in the expansion.

Among Bolivian crops, however, cotton is king. Production in 1974 is expected to total a strong 150,000 bales of upland cotton, compared with only 8,000 bales 10 years ago.

The most favorable cotton-growing area is around Santa Cruz, a city of 120,000 population with sufficient commercial services to encourage further development. There are level areas of easily worked soils extending in all directions from Santa Cruz, many of them still to be cleared. Rainfall ranges from 24 to 48 inches annually—most of it between October and May.

There also are other lowland areas appropriate for cotton further south in the Santa Cruz Department and in the Departments of Tarija and Chuquisaca. Some upland cotton is now being grown in the Tarija area, where it is believed that Pima cotton may eventually develop in the lower rainfall areas with the aid of irrigation.

Area planted to cotton in Bolivia for 1973-74 is believed to have been about 155,000 acres, of which about 5,000 are in Tarija. Unusually heavy rains and flooding destroyed about 10 percent of the Santa Cruz plantings, however, thus reducing the vest area to about 136,000 acres. Rains played havoc with roads and hampered weeding and spraying somewhat, but also hastened growth in areas that were not flooded, Producers expect yields on harvested acreage to average 2.74 bales per hectare (1 hectare = 2.471 acres) —only marginally higher than those achieved in 1972-73, when 165,000 bales were produced on about 150,000 acres of recently cleared land.

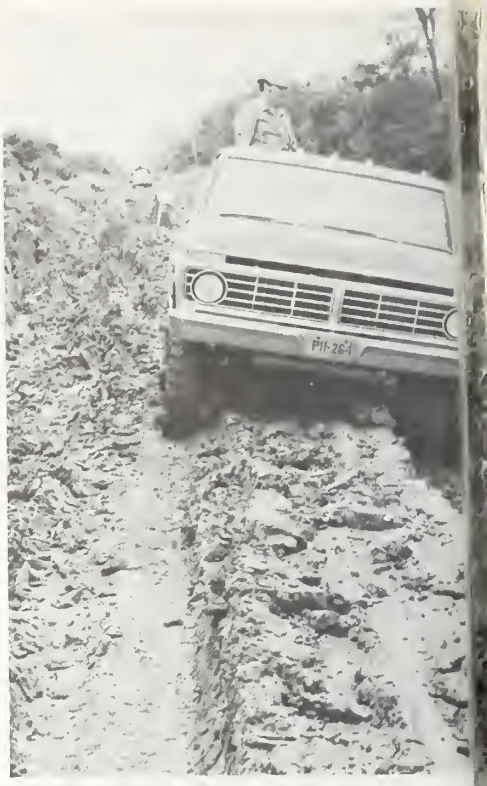
Government policy and ample credit have been favorable to cotton development in Bolivia. The fact that the lowland region has traditionally been exempted from the agrarian reform encouraged large-scale investments by progressive farmers, some of them from Peru, Chile, and Brazil. All are heavily dependent on production credit from Bolivia's Agricultural Bank, as well as local and foreign private banks. Banks advance up to 80 percent of the costs involved for cotton—even more for soybeans and wheat—and charge around 13 percent interest. Their staffs include agriculturalists who help plan disbursements and supervise the loans.

Forested land about 50 miles from Santa Cruz can be bought for $30-60 per hectare and cleared land for $200-500. Clearing is generally accomplished with heavy mechanized equipment, since the Chaco forest in the better-soil areas is dense, with trees up to 12 inches in diameter and 35 feet tall. Bulldozing a hectare takes 6 to 10 hours and costs $150-300 depending on the vegetation. The three treecrushers operating south of Santa Cruz each clear strips 8-12 meters wide and charge approximately $100 per hectare. The machines weigh from 70 to over 100 tons. They are equipped with diesel engines which generate current to power the three electrically driven sharp-lugged wheels. Such machines move at 3-5 miles per hour, and will crush about 1 hectare per hour. A few weeks later the entire area is burned, and is then ready for plowing and planting crops.

In most new development areas around Santa Cruz, a strip of 110 meters—usually extending 3 to 6 kilometers back from access roads—is cleared mechanically, and 40 meters are left standing. Ten meters of the cleared area is for turn rows.

The forest strip is both a windbreak and a haven for beneficial insects in biological control. In the more settled areas, strips of tall cane or mercuron grass are planted at intervals to reduce the effects of high winds.

Colonists and small farmers are setting up operations in the lowlands, an indication that the longstanding reluctance of Bolivians to move from



Rainy weather can play havoc with road conditions in Bolivia's booming Santa Cruz area (top left). Good yields and attractive returns are key elements in rapid development of cotton production there. Clearing of heavy Chaco forest growth (center left) is almost entirely mechanized. Diesel-powered treecrushers can clear a hectare in an hour. Burning and plowing follow as quickly as possible. Author Ferree (bottom left) stands amid upland cotton planted and grown without fertilization.

the mountains may be changing. The laborers recruited from crowded areas of the Altiplano and Cochabamba sometimes stay and find land themselves. They cut and burn off areas along the tracks cut earlier by drilling and seismograph crews, and plant cotton, soybeans, and other crops. Their success attracts others from the same mountain families and villages.

Commercial services and processing also has grown up in Santa Cruz to serve the cotton industry. Some 15 gins, largely of U.S. and Brazilian manufacture, will adequately handle the crop this season. One of them is said to be the largest in South America. Each year larger and larger tractors are imported from several supplying countries. Argentina and Brazil are sources for most of the planting and cultivating equipment. Seed imports come principally from the United States.

Some 50,000 workers have been privately recruited for the picking, which started in late March. Labor conditions still leave improvements to be desired, however. Growers furnish transportation and simple housing, but few basic facilities for comfort. Wages for picking this year are a little less than $2.00 per 100 pounds (perhaps $2.75 per day average, including incidental costs). These are considered good wages for Bolivia, and also are nearly double the rates paid last year. Some growers are looking to mechanical pickers to solve possible future labor problems. Three pickers were tried last year with limited success, and six to eight are expected to be in use this season. Some of the new pickers first used here in 1973 harvested about 200 hectares per machine. More new equipment is expected.

The outlook for Bolivian cotton is for continued expansion, particularly if today's favorable prices continue. The 1974-75 cotton area and production could easily expand by 25 percent. Clearing of more area around Santa Cruz, plus new developments further south and in Tarija would permit substantial expansion in the future.

There is growing interest in irrigation in existing areas, which should provide for higher cotton yields, as well as possibilities for following earlier planted cotton with wheat. Good returns from cotton are encouraging more fertilizer usage and timely aerial spraying.

Greater diversification within the area with increased planting of soybeans, and probably wheat, can be expected and some poorer cotton land may revert to pasture. These tendencies, however, should be more than offset by the continued clearing of large areas, by some switching from less profitable rice to cotton by commercial farmers, new outlying development, and the growing of more cotton by colonists.

Sharp-lugged steel wheels crush Chaco vegetation in preparation for burning (top). Uncleared Santa Cruz land has been selling for $30-$60 per hectare; cleared land for $200-$500. Cotton (above) photographed in March was planted in December, only 2 months after land was cleared by heavy mechanized equipment.

Agriculture in the USSR—1973 and 1974

By G. P. RUDENKO
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Mr. Rudenko headed the Soviet Delegation to the U.S.-USSR Joint Working Group on Agricultural Economic Research and Information. He presented this speech at the second meeting of the Joint Working Group on May 13, 1974, in Washington, D.C.

THE YEAR 1973 was marked by significant successes in the development of Soviet agriculture. The national income, used for consumption and accumulation, increased by 6.3 percent, as opposed to the 4.6 percent average for 1971-72. In other words, the increase was 1.4 times the average yearly growth rate of the first 2 years of the current 5-year plan.

The growth rate in industry was 7.3 percent and in agriculture, around 14 percent. Thus, the main basic socio-economic indices, outlined during the 24th Congress of the Communist Party of the Soviet Union, have been fulfilled for 3 years of the 5-year plan.

During the first 3 years of the ninth 5-year plan, compared with the first 3 years of the eighth 5-year plan, production in agriculture increased by 13 percent, while the population of the country increased by 4.9 percent. The higher growth rate of gross agricultural production, compared with the growth rate of population, enables us to meet the requirements of the yearly increase of per capita consumption of foodstuffs and goods produced from agricultural raw materials.

In 1973 an unprecedented volume was achieved in the production of key agricultural products. The total grain harvest exceeded 222 million tons,[1] raw cotton was 7.7 million tons; maximum harvests were also obtained in sunflower, tea, potato, vegetable, and other crops. The expansion of area sown to more productive crops played a favorable role in the increased production of grain and other agricultural crops, as well as in the increase in crop yields.

In 1973, 126.7 million hectares (313 million acres) were in grain crops; this was 6.6 million hectares (16.3 million acres) more than the previous year. At the same time, there was some expansion of sown area for sunflowers, sugarbeets, potatoes, and vegetable-melon crops.

In livestock production, high increases in milk and eggs were attained; in meat and wool production, necessary conditions for a substantive increase in the future were created.

The average milk yield per cow in 1973, compared with 1972, on the collective and state farms throughout the country increased by 98 kilograms (216 pounds) or by 4 percent; the egg yield per hen increased by 9 eggs, or by 5 percent.

Beef production increased by 2 percent over 1972 production; poultry production increased by 4 percent. However, pork production decreased, and for this reason meat production as a whole remained about equal to 1972 levels.

GOVERNMENT PROCUREMENT plans for basic agricultural products were fulfilled in 1973; in certain categories of products, the plans were overfulfilled. The Government received over 90 million tons of grain instead of 81 million tons foreseen in the national economic plan. The Government also bought more cotton, potatoes, vegetables, fruits and berries, tea, and other products than was planned.

These successes of the development of agriculture resulted from the implementation of the agricultural policies of the Communist Party of the Soviet Union and the decisions of the Government to intensify agricultural production, to strengthen its material and technological base, to expand the land reclamation program, to increase fertilizer use, and to create the necessary economic conditions to strengthen the collective and state farms.

During the first 3 years of the current 5-year plan, from all sources of financing, 72 billion rubles (US$92.9 billion) was spent for the development of the material and technological base in agriculture.

Capital investments for irrigation and land reclamation measures constituted some 12.5 billion rubles (US$16 billion); and livestock watering facilities added on more than 24 million hectares (59 million acres) of pastureland.

Further, large sums were used for manufacturing agricultural equipment, mineral fertilizer production, for con-

[1] **All tons are metric.**

struction and repair of grain elevators, grain warehouses, vegetable and potato storehouses, mixed feed plants, light industries, and food, meat, and dairy enterprises, as well as other operations of the agribusiness complexes of the country.

During this period, agriculture received 962,000 tractors, 581,000 trucks, agricultural machines worth 8.3 billion rubles (US$10.7 billion) farm—which corresponds to the targets set by the 5-year plan—and 164.6 million tons of fertilizer and feed phosphates, a 2-million-ton increase over the 5-year plan. Electrification of rural areas has been greatly expanded. During these 3 years of the ninth 5-year plan, the length of the rural electrical network has increased by 560,000 kilometers. (348,000 miles).

To more nearly assure receiving a harvest in 1974 that would be at 1973 levels, each farm has developed the necessary measures. These include expanding grain areas, while decreasing the amount of area sown with annual grasses with low yields. In general, grain area may reach 130 million hectares (321 million acres) during the current year.

The largest part of the increase in fertilizer supplies are earmarked for grain crops. However, it is still not possible to provide grain crops with as much fertilizer as is recommended. At present only around 150 kilograms in standard units (331 pounds) of mineral fertilizer are applied for 1 hectare of grain crops.

Much work remains to be done in order to cut down on crop losses during harvest, as well as during storage. The ninth 5-year plan outlines measures to deal with this problem.

DURING THE FIRST 3 years of the current 5-year plan, the overall capacity of grain storage was increased by 10.5 million tons; of this, elevator capacity was increased by 9 million tons. Grain drying power increased by 18,700 tons of grain drying per hour.

At grain-receiving enterprises, hundreds of large-scale truck unloaders, as well as a large quantity of other high-quality technology, have been installed for fast and modern grain reception. Because of construction and repairs on existing plants, mixed feed production capacity increased by 26,300 tons in a 24-hour period, which constitutes 107 percent of the 3-year goal of the current 5-year plan.

In 1973 the Ministry of Procurement of the USSR put into operation 146 elevators, the total capacity of which was over 3 million tons; grain warehouse capacity was increased by 400,000 tons. Twelve mills with a total capacity to process 6,000 tons of grain in a 24-hour period have also been put into operation, as well as 35 mixed feed factories with a general processing capability of 13,750 tons per day.

The volume of grain and other crops

USSR: GOVERNMENT PROCUREMENT OF KEY AGRICULTURAL PRODUCTS

Commodity	Unit	1973 reported	1974 planned	1974 as percentage of 1973
Grain	*Mil. tons*	90.5	84.0	93
Sunflower seed	*do*	5.5	5.7	103
Sugarbeets	*do*	77.5	84.7	109
Cotton	*do*	7.7	7.3	96
Potatoes	*do*	15.4	15.2	99
Vegetables	*do*	14.3	14.6	102
Fruits and berries	*do*	4.1	4.7	115
Grapes	*do*	3.5	3.86	109
Livestock and poultry	*Mil. tons liveweight*	15.0	15.7	105
Milk	*Mil. tons*	53.0	53.3	101
Eggs	*Billions*	27.6	27.8	101
Wool	*1,000 tons*	470.3	481.7	102

USSR: INPUTS SUPPLIED TO AGRICULTURE

Item	1973	1974	1974 as a percentage of 1973
	1,000 Units	*1,000 Units*	*Percent*
Tractors	328.5	358.20	109.0
Cultivators	143.7	163.40	114.0
Trucks	224.6	250.00	111.0
Power shovels	17.6	18.90	107.0
Bulldozers	22.0	24.20	110.0
Scrapers	10.3	10.45	101.0
Combines:			
Grain harvesters	90.5	99.30	109.7
Silage harvesters (forage)	64.4	65.60	102.0
Beet harvesters	14.7	16.00	109.0

USSR: GROWTH OF PRODUCTION OF BASIC AGRICULTURAL COMMODITIES

Commodity	Unit	1966-70 average per year	1973	1974 estimates based on the plan
Grain	*Mil. tons*	167.6	222.5	205.6
Cotton	*do*	6.1	7.7	7.3
Sugarbeets	*do*	81.1	87.0	91.3
Sunflower	*do*	6.4	7.3	7.2
Potatoes	*do*	94.8	108.0	107.9
Vegetables	*do*	19.5	24.5	26.1
Grapes	*do*	3.9	4.3	4.7
Meat	*Mil. tons dressed wt.*	11.6	13.5	14.4
Milk	*Mil. tons*	80.6	87.2	90.8
Eggs	*Billions*	35.8	51.0	53.5
Wool	*1,000 tons*	398.0	428.0	460.0

and livestock production outlined in the plan for 1974 fully meets the Government procurement plan for key agricultural products. Government procurement for the majority of agricultural products is designated in amounts which for the most part correspond to the amounts outlined in the 5-year plan, with minor corrections entered as needed by individual products.

The plan for 1974 also outlines measures for further strengthening the material and technical base of agriculture. Government capital investments in the developmnet of all agricultural operations are set at 18.4 billion rubles (US$23.7 billion) or 12.6 percent more than were set for the 1973 plan.

Moreover, çapital investments of collective farms from their material resources constitutes 9.5 billion rubles (US$12.3 billion). The overall figure for agricultural capital investment will be 28 billion rubles (US$36.1 billion) or 27.3 percent of all capital investments directed toward the development of the national consumer economy.

Of the 15.8 billion rubles (US$20.9 billion) for productive capital investments—32 percent is designated for irrigation and land reclamation measures, and 44 percent for construction on state farms.

The plan also includes implementation of more large-scale complexes for the raising and feeding of cattle, pigs, and poultry, with some decrease of smaller size farms.

In order to raise the level of mechanization in agricultural production, the plan calls for supplying agriculture with a great deal more technology.

Agriculture will receive significant numbers of a more powerful tractor—K-700. Grain combines will all be the new models—Niva, Kolas, and Sibiryak. Energy power in agriculture will increase in 1974 to 425 million horsepower, or 9 percent over that of 1973. Calculated for 100 hectares of sown area, energy power will be 180 horsepower; calculated for one worker on the collective and state farms, it will be 15.2 horsepower.

Fertilizer application for 1974 will reach 64.6 million tons. This is 1.6 million tons more than was outlined in the 5-year plan, and 7.6 million tons more than was actually distributed in 1973. This quantity for fertilizer allows us to satisfy the needs of technical crops and seedings on irrigated and drained lands, according to norms which will produce the planned harvest.

We are also planning to increase the use of fertilizer for grain and feed crops. By state and collective farm estimates, we will be able to distribute 681 million tons of organic manure, as compared with 653 million tons in 1973.

On the basis of fortifying the material and technical base of agricultural production and more effective use of all the resources, the plan provides for overall gross agricultural production in 1974 to reach 100.2 billion rubles (US$129 billion) which is 12 percent more than the actual yearly average production of 1971-73. In essence the growth will occur primarily in the socialized sector of collective and state farms, the share of which will be 76 percent. In terms of estimates on 100 hectares of agricultural lands, gross agricultural production will be 14,000 rubles (US$18,000) or 1,000 rubles more than 1973.

Preliminary reviews of the wintering of agricultural crops and livestock—as well as the course of spring plantings and Government procurements of livestock products in the first quarter of 1974, and the progress of work in affiliate industries supplying agriculture with production resources—allows us to estimate that the parameters of development of agricultural production outlined in the plan will be met, providing that there are no unforeseen natural disasters.

"The plan provides for overall gross agricultural production in 1974 to reach 100.2 billion rubles (US$129 billion), which is 12 percent more than the actual yearly production of 1971-73. Growth will occur primarily in the socialized sector of collective and state farms."

Exchange teams planned

Scope of U.S.–USS Exchange Agreem

By JOHN M. BESHOAR
U.S./USSR Secretariat
Foreign Agricultural Service

AT ITS SECOND semi-annual meeting on May 13-17, the U.S.-USSR Joint Working Group on Agricultural Economic Research and Information agreed to broaden the scope of their exchange program, partly through the mutual exchange of teams.

The purpose of the second meeting was to develop further the plan of cooperation in agricultural economics that was agreed on at the November 1973 meeting of the Working Group, and to engage in bilateral consultations on supply, demand, and foreign agricultural trade of the two nations. In addition, a workshop on forecasting was held during the course of the meeting in accordance with the work plan developed last November.

The working group refined the plan for cooperative activities in the three areas agreed on last November: Agribusiness; methods and procedures for data organization, analysis, forecasting, and forecast evaluation of supply and demand for major agricultural commodities; and exchange of agricultural economic data. It also prepared a report, for approval by the Joint Committee, on exchanges and other joint work to be undertaken in the remainder of 1974 and in 1975.

The plan of work includes proposals for eight U.S. teams to visit the USSR in 1974 and about the same number in 1975. The Soviets proposed sending a total of seven teams to the United States between now and the end of 1975. The imbalance in the number of teams is offset by the plan of work developed at the April meeting of the Working Group on Agricultural Research and Technological Development, which contains proposals for more Soviet than U.S. teams.

This lack of symmetry reflects the basic differences in the priority goals

formation Expanded

of the two countries in cooperative work under the Agreement. The United States is primarily interested in obtaining better economic data on Soviet agriculture, whereas the Soviet Union has focused its attention on U.S. agricultural technology.

Agribusiness. A program of exchanges was developed to provide the Soviets with a channel for purchasing U.S. agricultural technology and management techniques, which should facilitate development of integrated Soviet livestock and poultry complexes that could utilize American feedgrains and other inputs on a long-term basis. The plan of work also calls for a project in wheat milling that will help to improve Soviet capability to process U.S. wheat into flour suitable for Russian tastes.

The Cooperator Council for Agricultural Market Development proposed sending a five-man team to the USSR in July to develop a joint program for implementation of projects in livestock and poultry production on a commercial basis. The Soviets proposed that teams be sent to the United States in September and the months following to study organization, management, location, and operation of agro-industrial complexes, including mathematical modeling techniques used in these fields.

During the meeting, the Soviets also agreed in principle to U.S. plans for an Agricultural Marketing Exhibit in Moscow in the summer of 1975.

Forecasting. The cooperative program in forecasting is to include workshops, exchanges of technical materials, and exchanges of delegations to carry out two project activities. These are: Methods for forecasting supply and demand of individual agricultural commodities and methods of forecasting crop yields and livestock productivity.

During the Forecasting Workshop, which was held in conjunction with the Working Group Meeting, each side reviewed procedures for data collection, analysis, and forecasting in their respective countries. Some terminology differences were encountered since the Soviets maintain that "forecasting" in the U.S. sense is not used in the Soviet Union. Rather than forecasting output after individual production decisions have been made, the Soviets plan gross production and then strive to provide the inputs which allow plan fulfillment. For them, forecasting or "prognozirovanie" means long-range projections over a period of several years.

In the course of further cooperative work, the two delegations hope to obtain better understanding of each others systems, and to reconcile terminology and methodology so that future cooperative work in forecasting and also in exchanges of economic information related to forecasts will be more meaningful.

The Soviet delegation agreed in principle to receive a four-man U.S. team for 30 days in July and August to study forecasting and the collection, organization, and analysis of data in the Soviet Union and to undertake cooperative work in these areas under the terms of the basic agreement and the plan of work developed at the two Working Group meetings.

Exchange of economic data. At the meeting, the U.S. delegation presented a list of economic data that it hopes to receive from the Soviets in addition to the list agreed to last November. The new list includes current and historical data on fertilizer use; grain marketing by type of grain; use of grain for food; area and production of cotton by varieties; area and production of tobacco by major types; production of oilmeal by type; production of fishmeal; per capita consumption of meat and dairy products; monthly forward estimates of total grain, wheat, and sunflowerseeds; and monthly foreign trade data for grain by type, cotton, sunflowerseed oil, sunflowerseed, and sugar. The Soviet delegation agreed to arrange if possible for provision of data on the list.

On the other hand, the Soviets requested early receipt of material and data relating to the 1969 U.S. agricultural census; fixed production capital in agriculture; mechanization of various labor processes in plant production and animal husbandry; production costs of various agricultural products, agricultural production including feeds, straw, and seeds; overall power of all types of engines in agriculture; area of fruit and berry plantings; the number of agribusiness firms and conglomerates with agricultural holdings in the United States; electric power utilization in agricultural production; and volume of capital investment in agriculture by source and use.

Continued on page 20

Finalizing the Working Group meeting with a handshake are Richard E. Bell, Deputy Assistant Secretary of Agriculture and Head of the U.S. Delegation, and G. P. Rudenko, USSR State Planning Committee and Head of the USSR Delegation. From left: John M. Beshoar, U.S./USSR Secretariat, FAS; David L. Hume, FAS Administrator; A. A. Konygin, Agricultural Counselor, Embassy of the USSR; and V. G. Sheremetev, Assistant Agricultural Attache, Embassy of the USSR.

France's Soybean Imports Up With Growth of Feed Industry

By BRUNO JULIEN
Office of U.S. Agricultural Attaché
Paris

DEMAND FOR PROTEIN from soybeans for France's growing compound feed industry is likely to rise 20 percent by 1982, pushing current soybean import levels even higher. Even a conservative estimate sees French purchases of protein from this and other foreign sources as reaching 1.6 million tons by that date—70 percent of the country's total needs. Quantities of protein as used in this article do not include protein from cereals, green forage, and milk sources.

In the past few years the trend has been to replace high protein sources of lower quality with better sources such as soybeans, imported largely from the United States and, more recently, Brazil. Reflecting the influence of the compound feed industry on protein sources, soybean meal accounted for over half of France's 2.6-million-ton protein source supply during 1970-72, followed next by peanuts, which represented 406,500 tons of the total.

The expansion of compound feed use in France (see *Foreign Agriculture,* June 10) is expected to nurture this rising demand for protein. While protein demand will probably expand at a lower rate than compound feed production—due to last year's protein crisis and to research aimed at finding new ways to economize protein use—the National Institute for Agronomic Research (INRA) recently confirmed the growth of protein use. It forecast an increase in the use of proteins that come from high protein sources, from 1.2 million tons in 1972 to 1.7 million tons in 1977, and 2.2 million tons in 1982.

From 1962 to 1972, oilseed meal consumption in France doubled, but progressed at a lower rate than compound feed production. Vegetable meals represented 38 percent of compound feed production in 1962, and only 24 percent in 1972, but since 1967 the decrease has been slight. For the same 10-year period, soybean meal use in France more than tripled, representing 32 percent of vegetable meals consumed in 1962, and 62 percent in 1972.

The only other vegetable meals to expand during this time were those grown in France, but in 1972, they only represented 12 percent of the vegetable meals used in France. Soybean meal consumption in 1972 was divided between 65 percent of the 50 percent protein meal content, and 35 percent of the 44 percent.

During 1973 an estimated 16 million tons of cereals were fed to animals. Added to this amount were 1.2 million tons of proteins—namely the protein content from complementary sources other than milk and alfalfa powder. Most of these complementary sources of proteins is imported. Only rapeseed, sunflowerseed meal, and meat meal—about 15 percent of the protein supply—are produced in France.

Soybeans are not produced on a commercial basis in France, so all soybeans or soybean meal must be imported. Direct shipments from the United States account for about 95 percent of the soybeans imported into France. For this reason, a supply failure on the part of the United States would no doubt intensify efforts to develop alternatives to foreign protein sources.

With a decrease in the protein content of feed rations for pork and broilers, 10 percent of protein could be saved. This would only occur, however, if the protein price was at a high level relative to cereals (a situation that has occurred only during certain periods of 1973). According to the INRA, however, even if all proposed solutions were used (agricultural and commercial), France could still produce no more than 30 percent of its protein sources for feed in 1982.

The main solutions proposed to expand protein source products include increased cultivation of soybeans and horsebeans, the increased cultivation of sunflowerseed, better use of forage resources, production of lysine (the construction of one Franco-Japanese factory with a production capacity of 5,000 tons of lysine is planned in northern France for the needs of the European Community), and the use of urea in cattle feed.

However, the implementation of these solutions could occur only if the protein situation in France was critical (insufficient supply, unstable and high prices of soybean meal). For this reason, French demand for soybeans, and subsequent soybean imports, will undoubtedly increase.

Of the soybean meal used in France

CANADA MARKETS NEW DUEL-PURPOSE WHEATS

Recent reports from Canada indicate the Canadian Wheat Board has begun a new phase of a campaign to develop commercial markets for two new varieties of wheat—Pitic 62 and Glenlea.

Pitic 62 and Glenlea are classified as utility wheats, but reportedly they may have an even greater potential for food use, especially as filler wheats for breadmaking in Europe and noodle manufacturing in Asia.

Pitic 62 and Glenlea are higher yielding than most traditional Canadian utility and bread wheats. Apparently under typical growing conditions on the farm, these new varieties could yield about 32 bushels per acre, which is roughly 20-25 percent higher than present average wheat yields in Canada.

Existing varieties of Canadian Hard Spring wheat are said to be good nutritional substitutes for corn in most feed formulations, but the price of feeding bread wheat to livestock is too high compared with corn. In the long run the Canadians hope that by developing varieties such as Pitic 62 and Glenlea they will be able to produce feed wheats with feeding value equal to that of Hard Spring wheat and with yields high enough so that returns per acre to producers are at least equal to those from hard wheat or barley.

The 1969 Task Force Report on Canadian Agriculture envisioned about 8 million acres planted in feed and food wheat by 1980

during 1972, 387,000 tons were produced in France and about 1 million tons were imported. Of these imports, 363,000 tons came through the northern border (transshipments from Rotterdam, Antwerp, and production from other crushing plants located in Europe). The quantity of soybean meal coming through French harbors was: Bordeaux, 187,000 tons; Brest, 154,000 tons; Lorient; 103,000 tons; St. Nazaire, 80,000 tons; Marseille, 70,000 tons; Rouen, 57,000 tons; and St. Malo and Caen, 15,000 tons. Bordeaux is the leading French port for soybean meal imports destined for central France.

Trade operations in France are handled by only a few companies. Because the operations of French compound feed producers are small, few of them import meals directly from foreign countries. Others use primarily the services of strongly implanted national and international agents.

For a long time there was only one soybean crusher in Northern France, the S.I.O. company, which crushed about 60,000 tons a year. Since 1970, however, Soya France has been crushing imported soybeans in a plant on the Brittany Coast. Production at this plant shot up from 290,000 tons of soybean meal in 1972 to 360,000 tons in 1973, and during 1974, the plant is expected to reach its full production capacity of 400,000 tons.

During 1973, mainly because of a supply limitation on U.S. soybeans, 21 percent of the plant's soybeans came from Brazil. This factory supplies about 43 percent of the soybean meal needs of Western France, and 23 percent of total French needs.

Western France is currently expanding as a compound feed market, but even so, the share of soybean meal produced in all of France is small compared with that produced in either the Netherlands or Germany. At the same time —based upon a survey by the feed producers' association of Western France— compound feed production is forecast to increase from 2.6 million tons in 1972 to 4.7 million tons in 1975.

For these reasons, the capacity of soybean crushing will be increased. The French Government recently authorized the construction of two new plants in the western part of France, in Brest. If both these plants are built, the capacity of soybean crushing could be increased by two to three times in the next 4 or 5 years.

Energy Problem May Derail Japanese Greenhouse Growth

By BRYANT H. WADSWORTH
Assistant U.S. Agricultural Attaché
Tokyo

PRODUCTION OF Japan's greenhouse fruits and vegetables has increased in importance in the past two decades as area under plastic or glass has jumped phenomenally. However, because some of these structures are fan ventilated in the summer and heated in the winter, a shortage or curtailment of electricity or petroleum could dampen the growth uptrend.

Additionally, supplies of polyvinylchloride (PVC) and polyethylene, plastic sheeting used extensively by the greenhouse industry, may be limited since both are petroleum-based products. These plastics are used to repair permanent plastic greenhouses, to build temporary ones, or to fashion "tunnels," a type of temporary greenhouse structure used to cover a single row of fruits or vegetables.

Greenhouse farmers, who use more than 100,000 metric tons of plastic sheeting annually, also face another problem. They are under pressure from the Government to end solid-waste pollution caused when they discard torn or damaged sheeting.

In 1951, Japan had less than 300 acres covered by greenhouses. Today, there are an estimated 47,100 acres of protected land—some 2,100 under glass and 45,000 under plastic film. There are additional thousands of acres covered by tunnels.

Previously it had been estimated by some that Japan's greenhouse area would total more than 60,000 acres by 1978. However, recent shortages and the drive toward a cleaner environment could play a part in postponing this achievement.

Greenhouses were erected in areas of northern Europe such as Holland[1] largely because their use made it possible to extend the growing season into the cool spring and fall seasons and the cold winter months with proper heating. They could even be used most summers with a minimum of fan ventilation because of relatively low temperatures during those months.

While the use of greenhouses in Japan also extended the growing period into the fall and winter months, summer heat requires that permanent greenhouses be cooled with electric fans which normally draw incoming air through pads moistened with water.

Growth of area devoted to glass greenhouses grew steadily—although slowly—from about 390 acres in 1957 to its current high level, but the great boom came with the advent of plastic sheeting after World War II. This enabled thousands of Japanese farmers who could not afford the expense of operating permanent greenhouses to build temporary structures or tunnels.

Much of Japan's vegetable and berry production is now carried out under plastic sheets or in temporary greenhouses—and to a lesser degree in permanent glass or plastic structures. While the latter types need fan ventilation in the summer, the former are opened to the breezes when the plastic is removed from its supporting framework, or—in the case of tunnels—rolled up. This permits the same land to be used for several types of crops during the year—vegetables, or fruits and berries during the fall and winter, and rice during the summer, for example.

During the 1970-71 crop year (July-June), it is estimated that 46.7 percent of the green peppers produced in Japan were grown in greenhouses. It is also estimated that during that year, 41.2 percent of Japan's strawberries, 30.1 percent of its cucumbers, 21.7 percent of its tomatoes, and 11.3 percent

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[1] **See *Foreign Agriculture*, Apr. 30, 1973. A new Economic Research service publication, "A Global Review of Greenhouse Food Production" is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for $1.50.**

Plastic greenhouse in Chiba Prefecture (left). Tomato production under plastic (below). A 7.4-acre greenhouse "community" established with Government assistance in Kochi Prefecture (below, left). It is said to be the most modern greenhouse complex in Japan.

of its eggplant came from greenhouses—many of plastic sheeting.

Total production of these crops in 1970-71, in thousands of metric tons, were: Green peppers, 135; strawberries, 153; cucumbers, 100; tomatoes, 851; and eggplant, 755.

But the use of plastic film greenhouses created a pollution problem because PVC and polyethylene will last only a little over a year and then must be discarded.

In 1957, when total plastic greenhouse acreage in the country was slightly over 1,400 acres, hardly anyone noticed when farmers threw old plastic film into nearby rivers and streams. But today, with thousands of acres under plastic greenhouses and tunnels, it is estimated that about 110,000 metric tons of plastic film are now being discarded by Japanese greenhouse farmers every year.

The problem is that these materials will not burn well, and when they do, the smoke and fumes add to Japan's already critical air pollution problem. And because they will not decompose if buried, farmers have had no alternative but to throw them into nearby waterways and in some cases into the sea. This has caused rather serious pollution problems.

In 1970, an existing anti-pollution law was amended by the National Diet to prohibit discarding (except in certain specified ways) plastic films used by the greenhouse-produce industry, effective March 1973. As enforcement of the amendment becomes more strict, it seems clear that greenhouse farmers' production expenses will increase substantially to cover disposal costs.

THERE ARE at present no facilities where farmers can have discarded plastic sheeting melted into reusable solids or burned in special, smoke-controlled furnaces as the law requires.

Given present technology, it is estimated that about 60 melting plants, running at full capacity, would be needed to handle the 110,000 tons of plastic film discarded each year. There are at present four such plants under construction, to be in operation in the next year or so. Construction costs are to be shared about equally by farmer co-ops and the Government. Each plant of 6-ton capacity will cost about $220,000.

Once plants are constructed, there will still be the tremendous problem of gathering and transporting plastic from the tens of thousands of little farms involved to melting plants. In 1971 there were plastic greenhouses on 157,370 Japanese farms.

Special burning plants are less expensive to construct, costing only about $100,000 each, but they have only one-sixth the capacity of melting plants—1 ton per day. So the solution to the pollution problem does not seem to lie here.

Greenhouse operators are understandably reluctant to pay the added costs connected with collecting and burning or melting the plastic refuse they now just discard. In fact, some farmers have said that if forced to do so they would have to go out of the greenhouse fruit and vegetable business.

Japan's Imports of U.S. Soybeans May Inch Up, But Problems Arise

JAPAN THIS YEAR may equal or exceed record 1973 purchases of U.S. soybeans, but expansion will not come as easily as it did then. In fact, the picture is somewhat clouded at this time by a softening of Japanese demand for oilseed meal as a result of huge purchases of the product late last year, plus cost-price problems of the country's livestock industry.

Current forecasts place Japanese imports of U.S. soybeans in calendar 1974 at 3,270,000 metric tons, about 2 percent above last year's record 3,210,200 tons. This is assuming that the United States can hold the 88 percent of the market that it had in 1973 and can make up for a 20-percent drop in business during the first 4 months of 1974: for that period, U.S. exports to Japan totaled 1,083.000 metric tons, contrasted with 1,331,000 in the first 4 months of 1973.

The growth is expected in part because of a desire in Japan to build adequate stockpiles to prevent repetition of the raw-material squeeze of 1973. It also reflects a buoyant demand for soybean oil—in part because of consumer panic buying of the oil—and the possibility that Japan's usual imports of rapeseed might be curtailed.

Currently. the strongest demand from Japan is for oilseeds for oil and food. (Although the country generally imports only small amounts of soybean oil as such. demand for oil is an important factor in purchase of soybeans.

Japanese consumers have been buying oil supplies in record quantity, with the climax coming in December 1973 when housewives, fearing shortages, rushed to stores to purchase all they could get. As a result, oil disappeared from market shelves in Osaka. Kobe, and Nagoya. The Government ordered processors to make an emergency shipment to these areas, which dispelled housewives' fears but left processors' soybean oil stocks below 1972 levels.

Such conditions contributed to substantial gains in wholesale prices of soybean oil during 1973, with no declines like those that took place in soybeans. However, for the January-March 1974 period, the Government requested that oilseed processors expand production and marketing 10 percent and maintain prices for consumers at the November 1973 level. Processors responded, but complained that costs exceeded returns and requested an increase in oil prices to cover the high price of imported oilseeds.

As a result of the strong demand for oil, Japanese imports of all vegetable oils (edible and inedible) more than doubled to 211,400 metric tons from 101,500 in 1973. The big factor was much larger shipments of palm oil, mainly from Indonesia and Malaysia, where burgeoning production is greatly expanding export availabilities. But even soybean oil and rapeseed oil were imported in fairly sizable quantities for the first time in years.

DEMAND for soybeans as food is also continuing strong as a result of growing domestic needs, coupled with a decline last year in imports from the People's Republic of China—traditionally the main outside supplier of such soybeans. During 1973, however, the United States surpassed China in this capacity, accounting for an estimated 380,000 metric tons of soybeans used as food. There has been interest in contracting for even more of these U.S. soybeans for 1974.

Soybean meal, by contrast, has been in abundant supply recently, with ending stocks in 1973 up some 246 percent from the previous year. Contributing to the jump, feed manufacturers last year became concerned over the soybean supply and purchased soybean meal to cover requirements. The result was a doubling of all oil meal imports to 573,100 metric tons in 1973, with soybean meal purchases up fivefold to 277,400 metric tons.

This in turn backed up meal on the oilseed processors who, with their limited storage areas, are now concerned about maintaining crushing at the current rate. Further difficulties are posed by the recent high prices for mixed feeds, which has put a serious squeeze on poultry and livestock feeders and is expected to result in a cutback in expansion plans for 1974.

On the trade side, the effect of this situation could be moderated if purchases of rapeseed from Canada—only significant supplier of the product to Japan—are reduced as a result of an expected shift in some Canadian rapeseed acreage to wheat. Should that happen, Japanese soybean imports in 1974 could be even greater than currently estimated.

However, it definitely looks as if Japan will lower its imports of soybean meal to an estimated 180,000 metric tons in 1974.

Another development is the rise of Brazil as a competitive supplier in the Japanese soybean market. While soybean imports from Brazil are still dwarfed by those from the United States, they did shoot from a mere 14,800 metric tons in 1972 to 184,800 in 1973. This largely accounted for a slipping of the U.S. market share in Japan last year to 88 percent from 92 percent in 1972. With a rapidly growing production, Brazil is likely to emerge further as a competitor in both this and other U.S. soybean markets.

Finally, concern over stable supplies —especially of the food-type beans— has given impetus to Japanese soybean production. The current Japanese budget includes an incentive payment of 2,500 yen per 60 kilograms (about US$4.14 per bushel) to soybean producers in designated growing areas. This, plus high market prices, is expected to boost 1974 soybean area 13 percent and production 14 percent to an estimated 135,000 metric tons. But further expansion is expected to be rather modest since rice is still the better paying crop.

—Based on dispatch from
Office of U.S. Agricultural Attaché, Tokyo

JAPAN'S SOYBEAN IMPORTS
[In metric tons]

Country of origin	1972	1973	Forecast 1974
United States	3,126,300	3,210,200	3,270,000
Mainland China	254,000	226,400	240,000
Brazil	14,800	185,800	185,000
All others	500	3,200	5,000
Total	3,395,600	3,634,600	3,700,000

Finnish Textiles Industry Prepares for Bigger Market

FOR THE FIRST TIME in years, U.S. ton producers have a chance to compete for a more sizable share of Finland's expanding cotton market, long the domain of the USSR. And because of a recent agreement between Finland and the European Community (EC), executives of Finland's textile mills are looking forward to a new era of business growth that could expand cotton use even further.

Finland has long had a trade agreement with the Soviet Union, an important part of which is cotton. Each year for the past 2 decades Finland has agreed to take some 45,000-55,000 bales (480 lbs. net) from the USSR. Only 10,000-20,000 additional bales a year have been needed.

Through a strange quirk, the world's oil crisis has changed the situation. In past years it has been difficult for Finland to find Soviet products that could be sold in Finland in quantities big enough to pay for its exports to the USSR. Therefore, the Finnish Government has insisted each year that its mills take the prescribed amount of Soviet cotton.

But Finland gets some two-thirds of its oil from the USSR, and this year oil prices have risen enough to solve the balance of trade problem between the two countries. Accordingly, the trade agreement signed for calendar 1974 provides for only 23,000 bales of cotton to be shipped to Finland during the first three quarters of 1974. It is unlikely that Finland will buy any cotton from the USSR during the fourth quarter.

Because of this reduced obligation to the USSR and expanded mill consumption, U.S. cotton farmers will be able to compete for a 40,000-bale market this year. (Total consumption will be about 65,000 bales.) Next year consumption may reach 70,000 bales and the role of Soviet cotton probably will remain at a reduced level. Because of these factors, the market for U.S. cotton may well continue to expand.

Within 4 years all restrictions imposed upon Finnish textiles by EC governments will be lifted, while Finland is scheduled to retain its own protection for another 12 years. Finnish mill officials explain that the EC had restricted Finland's paper industry, its largest export industry, rather severely. Therefore, as partial compensation, EC members have given Finland's textile producers a break.

Regardless of the reason, mill owners are pleased and are planning to take advantage of the opportunity. They are looking at the markets and types of materials on which each will concentrate, while new textile specialities are being created for the EC customers. Sales practices and market channels in the various countries are being studied and sales offices are being planned. A new mill under construction at Kajaani will have an annual capacity of 18,000 bales, or about 25-30 percent of current cotton imports.

If the expected expansion in textile exports to the EC takes place, it will mean a larger market potential for U.S. farmers, since half of the yarn and woven fabrics produced in Finland are made of cotton.

The international reputation of Finnish textiles for originality of design and quality is relatively new. In a sense, improved access into the EC market launches another stage of Finland's recent textile history.

Before Finland became an associate member of the European Free Trade Association (EFTA) in 1961, export business was negligible. However, EFTA gave the Finnish mills free access to the Scandinavian market, which now accounts for 60 percent of Finland's exports.

Overall, Finland's exports have risen 14-fold during 1963-73. Only 4 percent is shipped to the original EC-6, although 13.3 percent goes to two new members, the United Kingdom and Denmark, formerly part of the EFTA. Whereas just over a decade ago Finland was serving a local market of only 3 million, it must now gear up for an EC market of 200 million. And in order to maintain its east-west balance, Finland has initiated trade negotiations with East European countries, which should further expand its textile complex.

Models appear in garments made from new fabric specialties created for Finland's growing textile market.

—Based on a report by
JAMES O. HOWARD
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CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	June 11	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	5.15	— 1	3.87
USSR SKS-14	(1)	(1)	(1)
Australian FAQ[2]	(1)	(1)	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	4.95	—15	3.52
15 percent	(1)	(1)	3.59
U.S. No. 2 Hard Winter:			
13.5 percent	4.65	— 2	3.43
No. 3 Hard Amber Durum	6.98	+24	3.74
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	3.34	+ 1	2.92
Argentine Plate corn	3.61	+ 2	3.24
U.S. No. 2 sorghum	2.95	— 5	2.79
Argentine-Granifero sorghum	2.97	— 4	2.79
U.S. No. 3 Feed barley	2.82	— 3	2.34
Soybeans:			
U.S. No. 2 Yellow	6.16	—36	8.20
EC import levies:			
Wheat[3]	[4] .10	— 2	1.07
Corn[5]	[4] .05	—14	.35
Sorghum[5]	[4] .56	— 2	.56

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] Durum has a separate levy. [4] Levies applying in original six EC member countries. Levies in UK, Denmark and Ireland are adjusted according to transitional arrangements. [5] Italian levies are 19 cents a bushel lower than those of other EC countries. Note: Price basis 30- to 60-day delivery.

Pakistan Expects Record Wheat Harvest in 1973-74

The Government of Pakistan recently reaffirmed its wheat forecast of 8.5 million tons for the 1973-74 crop year. Earlier in the year a 9-million-ton goal had been announced. Even if the forecast is not met, there is a good chance that Pakistan may realize between 8.2 and 8.4 million tons, which will be the highest production level ever.

There are several reasons for the expected record wheat production. The biggest flood in Pakistan's history in August and September 1973, brought fertile silt into the cropland. The Government encouraged an increase in wheat acreage by boosting procurement prices of wheat from PRs22.50 to PRs25.50 (US$1=PRs9.90) per unit of 82 pounds and by making available additional supplies of irrigation water and fertilizer, and high-yield seed. The Government also assured 10 to 20 percent more canal water during sowing season by allowing seasonal canals in the Punjab to run an extra month in November. Thus, the wheat area under irrigation—usually about 75 percent of the total—appears to have been increased considerably. Pakistan reserved an ample supply of fertilizer for the 1973-74 wheat crop.

If the Pakistan wheat harvest materializes at between 8.2 and 8.4 million tons in 1973-74, it will be 11 percent higher than last year's production of 7.4 million tons and 12.3 percent bigger than the 1970 production of 7.2 million tons. High-yielding varieties were first used extensively in 1968, when the crop totaled 6.4 million tons, 2.1 million above that of 1967.

With the 1973-74 record wheat production, the Government is hoping to achieve self-sufficiency in wheat this year. Some sources believe that in spite of record wheat production, Pakistan will still have to import some 500,000 tons of wheat to build up reserve stocks and to insure a steady supply to Government ration shops.

USSR Weather and Crops

Cold and rainy weather dominated most of European USSR during the last 10 days of May, impeding spring field work and delaying the development of spring planted crops. Rainfall of up to 2 inches caused excess moisture in some areas.

Cool temperatures also predominated in the important spring wheat regions of western Siberia and northern Kazakhstan. Up to 2 inches of rainfall was recorded in these areas, and soil moisture is now reported as "satisfactory to good." Hot, dry weather, however, continues in eastern Kazakhstan, Altay, and Krasnoyarsk and could affect spring wheat production in these regions.

LIVESTOCK AND MEAT PRODUCTS

U.S. Red Meat Imports Down in April

U.S. imports of red meat in April were 140 million pounds, down 5 percent from those of a year earlier. Included in this total are meats imported subject to the Meat Import Law, plus canned and preserved meats, and other meats. Total U.S. red meat imports during the first 4 months of calendar 1974 amounted to 610 million pounds—an increase of only 4 percent from the previous year's level.

Imports of meat subject to the Law (fresh, chilled, and frozen beef, veal, mutton, and goat) totaled 91 million pounds in April—down 7 percent from a year earlier. Total imports of meat subject to the Law for January-April 1974 were 397 million pounds, up 2 percent from the same 1973 period. Principal suppliers continue to be Australia, with 184 million pounds, and New Zealand, with 70 million pounds.

In addition to meat imported subject to the Law, 53 million pounds of canned and processed beef and veal were imported

into the United States during the first 4 months of 1974—up 4 percent from the corresponding 1973 period. Bigger imports of canned and processed beef and veal from Argentina accounted for much of the increase.

Other red meat imports fell 5 percent in April, but registered a 4 percent increase for the first 4 months of calendar 1974. Other imports of red meat, primarily pork not previously included elsewhere, amounted to 39 million pounds in April and 160 million pounds for the first 4 months of 1974. An increase in the importation of fresh, frozen, and chilled pork from Canada, plus increases in the importation of boned and cooked pork products from Poland and Yugoslavia, accounted for the increase.

Irish Calf Prices Drop Sharply

Reports from Ireland indicate that slaughter prices for newly born calves—mainly bought for pet food use—have dropped sharply on the Mallow market. Hereford bull calves are being quoted at the equivalent of US$8.40 per head, and Friesians at $9.60 per head. A truckload of Angus cross heifers averaged only $6.00 per head. Also, some farmers are reportedly unable to get a bid for their calves and are being forced to slaughter and bury the animals.

U.K. Livestock Prices Dropping

Livestock returns in the United Kingdom have been at a low level for some time, and are now worsening. Many producers will soon be selling at a loss, and some already are.

Hog producers are losing the equivalent of US$7.20-$10.50 on every animal marketed for slaughter. Beef producers are losing US$48.00-$60.00 per head, and in some cases, $72.00 on every beef animal sent to market for slaughter. Even milk production is sagging, which is counterseasonal for this time of the year.

Hog producers have stepped-up marketings of pregnant sows—some just a few days from farrowing. Others are selling the sows shortly after farrowing. This destruction of unborn pigs and slaughtering of breeding sows will sharply reduce pork supplies. The current cost-price-squeeze dilemma has resulted in the decision by producers to market now.

FRUIT, NUTS, AND VEGETABLES

Canada's Fruit, Vegetable Tariff Cuts End July 1

On February 19, 1973, the Canadian Finance Minister announced a wide range of temporary tariff reductions effective the following day as part of a counterinflationary move. In February 1974, the date the temporary reductions were to expire, extensions were made for most items. The exceptions were some canned and fresh fruits, some fresh vegetables, and all citrus fruit juices. Tariffs on these items reverted to the former higher rates as of February 19, 1974. Temporary reductions for remaining items were extended to June 30, 1974.

The tariff cuts, with the exception of those for fresh peaches, would have been extended to December 31, 1974 by proposals contained in the May 6 budget. The extension, however, was nullified by Parliament's dissolution on May 9, following failure of the House to approve the May 6 budget. All tariffs will now revert to their fomer (pre-February 20, 1973) level on July 1.

Canada To Plant More Processing Vegetables

Canadian planting intentions of principal processing vegetables for 1974 show an overall increase of almost 9 percent above the area contracted in 1973. A recently published report on a survey of all licensed Canadian vegetable processors reflects both the acreage of farmers under contract to processors and the cultivated acreage operated by processors. The figures represent intentions as of March 1974.

Contracted planting intentions for asparagus are placed at 1,750 acres, down 13 percent from the 1973 contracted area; beans, 25,410 acres, up 5 percent; broccoli, 1,400 acres, up 14 percent; brussels sprouts, 1,250 acres, up 26 percent; carrots, 2,490 acres, up 21 percent; sweet corn, 59,980 acres, up 7 percent; peas, 73,670 acres, up 11 percent; tomatoes, 22,590 acres, down 4 percent; cucumbers, 9,020 acres, up 2 percent; and cauliflower, 990 acres, up 11 percent.

FATS, OILS, AND OILSEEDS

Argentina Bans Sunflower Meal Exports

The Government of Argentina has banned further exports of sunflower meal, but will honor all export-sales contracts registered as of January 31, 1974, for shipments of sunflower, cottonseed, and peanut meals. To meet outstanding export commitments, oilseed crushers must locally sell 25 percent of the sunflower meal and 33 percent of the peanut meal produced and make the remainder available for export.

Soybean meal and millet will still be exported freely.

Japan Approves Higher Prices for Soybean Oil

Japan's Ministry of Agriculture and Forestry (MAF) announced on May 4 that it would approve a 25-percent price increase for soybean oil, effective about May 20. Soybean oil prices had been maintained at the November 1973 level of ¥4,000 per 18 litres (about 41 cents per pound). Because import prices for soybeans remained high and Japan's demand for soybean meal eased as a result of large imports, the MAF feared that unless oil prices were increased to the current level of about 51 cents per pound, oilseed processors would reduce crushings and oil supplies would become short.

TOBACCO

Spanish Tobacco Product Imports Up In 1973

Spanish imports of manufactured tobacco products in 1973 showed substantial gains over those of the previous year. Imports of cigarettes at 168 million packs—98 percent from the United States—were 22 percent above those of 1972. Pipe

tobacco imports, an estimated 156,000 50-gram packages or pouches, were 134 percent above the previous year's. Spain imported 44 million Cuban cigars, nearly 21 percent above 1972 imports.

Spanish cigarette sales increased in 1973 by 9.8 percent to 34.1 billion pieces, compared with 31 billion pieces in 1972. Although most of the increase in sales was in dark-type cigarettes, U.S.-type cigarette sales rose 8.3 percent from 1972. Sales of imported cigarettes hit a record 3.2 billion pieces.

DAIRY AND POULTRY

Canada Sells Broilers to Cuba

A group of Quebec poultry processors reportedly has sold 16 million pounds of broilers to Cuba. Monthly deliveries of 2 million pounds began in May. Price was not reported.

Live at-farm prices of broilers in Quebec in mid-May were 33 Canadian cents per pound, while wholesale prices for dressed broilers were generally 60 cents or more per pound. These Canadian prices were more than 50 percent above U.S. prices at the same time.

SUGAR AND TROPICAL PRODUCTS

Sri Lanka's Tea Exports Higher

Sri Lanka's tea exports during 1973 totaled 205,744 metric tons, up 8 percent over 1972 exports of 190,088 tons. Major recipients of the 1973 exports (in tons) were: United Kingdom, 32,794; Pakistan, 30,316; Iraq, 20,158; the United States, 17,682; Australia, 11,078; and South Africa, 10,694.

Exports in 1974 will likely be lower because of prospects for a reduced harvest. Production during the first 2 months of 1974 totaled only 26,104 tons, off 15 percent from the corresponding 1973 period, when production amounted to 30,717 tons. Total production in 1973 amounted to 211,271 tons, down slightly from the 1972 crop of 213,475 tons.

U.S. Baler Twine Imports Up

U.S. imports of baler twine during October 1973-April 1974 totaled 73,673 long tons (165 million pounds), compared with 63,728 tons (143 million pounds) for the same 1972-73 period —an increase of 16 percent.

Imports of binder twine during October 1973-April 1974 totaled 6,272 tons, up 2 percent from the same 1972-73 period.

U.S. imports of baler and binder twine in April 1974 totaled 9,219 and 847 long tons, respectively, compared with corresponding imports of 9,965 and 1,085 tons in April 1973.

Because U.S. baler twine stocks were largely depleted during the 1973 hay harvest, supplies for 1974 remain uncertain. Twine prices remain sharply higher than levels a year ago.

South Africa Hosts Sugarcane Congress

The 15th Congress of the International Society of Sugarcane Technologists (ISSCT) is being held in Durban, South Africa, from June 13 to June 29, 1974. The ISSCT has a total membership of 1,850 persons. Membership is open to "any person who is contributing or has contributed to the progress of the sugarcane industry in any country."

At the present time South Africa has the most members (298), followed by Brazil (207) and the United States (148). The ISSCT has been in existence for 50 years, and until recently has centered its interests in the Caribbean area.

During the Congress, 275 papers on sugar agriculture, biological science, and processing will be presented. The South African Sugar Association was the organizer of the Congress.

GENERAL

Most Communist Asian Countries Had Good Agricultural Year in 1973

Agricultural output in the People's Republic of China (PRC) rose to a record level in 1973, according to a U.S. Department of Agriculture (USDA) report on Communist Asian countries. Prepared by USDA's Economic Research Service, the report says that farm output also increased in Mongolia and North Korea, but dropped in North Vietnam.

In China, weather was generally good, and the Government, reacting strongly to a poor 1972 agricultural year, focused its efforts on assuring production increases in 1973. As a result, China's grain and fiber crops hit alltime highs. Total oilseed production improved slightly. Livestock production, however, stagnated because poor 1972 weather had reduced fodder supplies.

China's wheat, corn, and cotton imports were at record levels in 1973. Its soybean exports dropped sharply but rice exports rose about 71 percent to 1.4 million metric tons.

For the year ending June 30, 1974, China's wheat and corn imports are expected to be even heavier than they were a year earlier. Some of this grain was purchased before the outcome of the good 1973 harvest was known, providing China with a hedge against poor crops. If good weather prevails through the 1974 growing season, China's grain import requirements between July 1974 and June 1975 could be reduced.

In Mongolia, where the livestock sector accounts for 80 percent of agricultural output and a good share of export earnings, the number of sheep, goats, and horses increased significantly in 1973. Wheat, oat, and barley harvests were also up.

Total crop production in North Korea appears to have been fairly good, with bumper harvests of wheat, barley, and rice.

North Vietnam's major food crop, rice, suffered extensive damage in 1973. There was a prolonged drought at seeding and transplanting time and then a typhoon later in the season.

Other Foreign Agriculture Publications

- Record World Barley Crop in 1973; Oats Also Higher (FG 13–74)
- World Corn Production at Record Level in 1973 (FG 14–74)

Single copies may be obtained free from the Foreign Agricultural Service, USDA, Washington, D.C. 20250, Rm. 5918 S.; Tel.: 202–447–7937.

U.S.-USSR Exchange

Continued from page 11

Domestically, the Soviet Union collects this type of data and hopes to receive similar U.S. data for comparison purposes.

During the Working Group meeting, the two delegations expressed satisfaction with the development thus far of exchange of economic and statistical information in accordance with the agreed list from the first session of the Working Group and with agreement at this meeting to broaden the scope of the exchange.

For this meeting, a member of the Soviet Trade Representation in Washington was included in the Soviet delegation, and some progress was made in improving U.S. access to Soviet trade date. Because the USSR is an important factor in world commodity markets, the United States has placed high priority on obtaining as much detailed Soviet trade data as possible.

The United States emphasized its continuing interest in exchanging forward estimates on production, consumption, demand, and trade in major agricultural commodities as provided in the Agreement signed by USDA Secretary Earl L. Butz and USSR Foreign Minister Andrei A. Gromyko on June 19, 1973. Further, they noted the desirability of including specialists in food processing, consumption, and foreign trade in future USSR delegations.

The Working Group agreed that it is necessary to exchange published statistical and economic information systematically between the National Agricultural Library, the Economic Research Service, the Statistical Reporting Service, and the Foreign Agricultural Service of USDA and the Central Scientific Agricultural Library, the all-Union Scientific Research Institute of Agricultural Economics, the Institute of Agricultural Information, and the Central Statistical Administration of the USSR.

In principle the Soviets agreed to receive six U.S. teams in the USSR in 1974 in connection with the exchange of economic data project. These teams will evaluate the winter and spring wheat crops, observe current development of crops and livestock, study vegetable protein, edible vegetable oil, and animal fat production and utilization, and current utlization of feedstuffs by livestock and poultry and prospects for expansion of feed utilization.

Bilateral consultations. At the Working Group's first meeting in November, it was agreed that bilateral consultations on supply and demand and trade in agricultural commodities would be held in conjunction with future Working Group meetings. At this meeting, presentations were made on these subjects by both sides and there was an opportunity for USDA officials to question the Soviet delegation on specific areas of the agricultural economy of the USSR. Remarks by the Soviet delegates provided some new insights into their agricultural situation; as did evaluations of data under the exchange project and the consultations themselves.

The report of this meeting to the Joint Committee on Agricultural Cooperation was signed on May 17 by the Co-Chairmen of the Working Group, Richard E. Bell, Deputy Assistant Secretary for International Affairs and Commodity Programs, USDA, and G. P. Rudenko, Deputy Director of the Agricultural Section of the USSR State Planning Committee. The United States has proposed that the third meeting of the Working Group be held in Moscow in September and that the U.S. delegation travel after the meeting to observe the Soviet harvest.

U.S.-USSR Information Pact

The U.S.-USSR Joint Working Group on Agricultural Economic Research and Information—whose May 13-17 meeting is reported here—is one of two working groups that operate within the framework of the U.S.-USSR Joint Committee on Agricultural Cooperation. The other joint working group—on Agricultural Research and Technological Development—met in Washington, D.C., on April 10-12.

The Joint Committee is charged with implementing the U.S.-USSR Agreement for Cooperation in the Field of Agriculture, which was signed in Moscow on June 19, 1973. This Agreement is to be in force for 5 years, then automatically extended for 5-year periods, unless terminated by either of the countries.

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